Index

activity links 73, 74
actor bonds 72, 73, 74
agent-based models 265, 268, 269, 270
Alderson, W. 19, 31, 193, 202, 203, 260
Andersen, H. 194
Anderson, H. 165
Anderson, J. 16, 73, 74
Ansell, C. 5, 193
Antal, T. 74
antitrust policy 241, 242
dynamic market efficiency 242
evolvability 241, 242, 243, 252, 253, 254
inertial forces 246
natural selection processes 246
need for evolutionary models 252–3
transmission biases 246, 251–2
international considerations 253
policy makers as part of the business system 242–3, 253
relationship and network perspective 246, 247, 253, 254
scale-free networks 248–50, 251, 252
APRAIS 107
arms-length relationships 126–7
Arthur, W. 195
Ashby, R. 203, 218, 262
asset specificity
transaction costs 54, 55, 56
Augier, M. 266
Australia
as link between East and West 5
Axelrod, R. 170, 171, 194, 209, 211
Badaracco, J. 32, 204
Baligh, H. 64
Barney, J. 191, 192
behavioural uncertainty 57, 58
benevolent independent relationships 126, 139, 140
Bensaou, M. 121, 123, 132, 133, 140, 145, 146
Binmore, K. 194
Blenchorn, D. 17
Blois, K. 105
Boulding, K. 34, 36
Brandenburger, A. 13, 15, 193
Breyer, R. 19, 20
Brown, J. 78, 158
bulk transactions
economies of specialisation 41–3
Burt, R. 83, 84
business dancing 112, 113, 114, 115, 143, 218, 262
business ecosystems 217
business mating 88, 89, 90, 109, 214, 218, 245
assortative mating 91–3
choosing and being chosen 90, 94–5
competitive fitness 90–91
relationship fitness 91–3
similarity and complimentarity 93–4
strong and weak ties 95–6
business models 244
Buttriss, G. 266
buyers’ perspectives
classification of business relationships 124, 125, 128–9, 137, 138, 139
Cannon, J. 119, 120, 130, 132, 136, 140
Chandra, Y. 84, 85, 95, 96
Cheng, C. 232
Christensen, C. 70, 71, 86
Clark, A. 215, 216, 263
classification of business relationships 115, 139
arms-length relationships 126–7
benevolent independent relationships 126, 139, 140
buyers’ perspectives 124, 125, 128–9, 137, 138, 139
close relations 127, 139
comparison of typologies 129–34
cooperative/competitive relations 116–19, 130, 131
disgruntled followers 125, 140
manipulative leaders 126
purchasing relations 119–21, 130, 132
sellers’ perspectives 124, 125, 127–8, 137, 138, 139
supplier–customer relations 121–4, 132–4
close relations 127, 139
clustered placid environments 188, 190–91
co-produced relationships 140, 185
Coase, R. 48
collaborative strategies 25, 27, 28, 257–8, 269
collaborative commitment, see trust–commitment
view of relationship management
competitive and cooperative relationships 13, 25, 26, 27, 116–19, 130, 131, 257–8
specialist help for cooperative relations 107
see also collaborative advantage;
collaboration theories
competitors 15
complimentarity 15
complementary activities 15, 45
competitors 15
coordination situations 52, 53
complex adaptive systems
agent-based models 268–9
business networks 246, 247, 260–61, 268
markets 264
turbulent environments 195
conflict, see power–conflict view of relationship management
constraints and limitations of networks and relations 23, 70
innovation 70, 71, 72, 86, 87
consumer marketing 24
contextual dimensions of transactions 42
contractual dimensions of transactions 42
convergent technologies 70, 71, 72
cooperation theories 168–72, 208, 209, 210, 214
group selection mechanisms 210, 211, 212–14
human instinct 210
kinship 209
reciprocity/repeated interaction 209
signalling 209
see also competitive and cooperative relationships
coordination costs, see transaction costs
Coreleone, M. 143
Cox, R. 19, 260
creating and accessing resources 22–3, 29, 257
enabling and constraining effects of relations and networks 23
knowledge 23
creative abrasion 78
customer advantage 26, 27
customer retention 24
Darwin, C. 88, 89, 92, 245
Dawkins, R. 89, 206, 207, 209, 243, 244, 245, 262
Denize, S. 108, 174
Denzau, A. 191, 196
Derozier, C. 192
Diamond, J. 89, 91
disgruntled followers 125, 140
disruptive technologies 70, 71, 72
dissolution of relations, see termination and dissolution of relations
distributed control 261, 262
disturbed reactive environments 188, 191–4
division of labour 22, 29, 30, 31
advantages of specialisation 29
need for coordination 22, 29–30
between firms 30
within firms 30
networks of specialists 64
see also economies of specialisation
Dixit, A. 194
Dixon, D. 8, 37
Doney, P. 136
Doreian, P. 75
Index

Dwyer, B. 96, 98, 99, 111
Dyer, J. 194

economic systems
impact of networks and relations 29
economies of specialisation 32, 33, 63
competing specialists 64–6
conditional factors 33
market and firm size 35–44
tradeoffs among economic principles 44
transaction costs 33–5
external economies through outsourcing activities 45–52
insourcing/outsourcing production and transaction costs 59–62
self-reinforcing process 63, 64
Economist 88
Edison, T. 77
education courses and institutions internationalisation of 238–9
Emery, F. 187, 188, 189, 190, 193, 196, 199, 200, 201, 202, 203
environments 187
causal texture of 187–8, 189
changes in 167–8
clustered placid 188, 190–91
disturbed reactive 188, 191–4
hyperturbulence 200
principle of requisite variety 203, 204
random placid 188, 189–90
stability of relationship types 134, 135, 136
starting conditions 109
turbulent 188, 194, 195, 196, 197, 199
adaptive responses 200–202, 203
as complex adaptive system 195
extended enterprise 198–9
further research 220–21
maladaptive responses 199–200, 203
radical restructuring and discontinuous change 197
strategies for 197, 198, 199, 220
values and ideals 201–3, 219, 220
types of 188
mixture of types and problems 188, 189, 198
uncertainty 57, 58
evolution of networks and relations 100–102, 168, 250–51, 263, 267
business mating 245
business models 244
changes in environmental conditions 167–8
changing connected relations 166–7
cooperative and non-cooperative relations 168–72
dialectic theories 266
evolutionary theories 266, 267
inertial forces 245
life-cycle theories 266
memes 243, 244
memotypes 244
natural selection 245–6
relationship processes 101, 102
research agenda 265
starting conditions 101, 102–9
teleological theories 100, 266
transmission biases 245
see also agent-based models; antitrust policy; structure of networks and relations
evolutionary processes 244, 245
genes 243, 244
genotypes 244
natural selection 89
phenotypes 243, 244
success of 244, 245
sexual selection 89–90, 92, 245
see also evolution of networks and relations
extended enterprise 185–6, 198–9, 207, 208, 215
extractive activities 31
Fallows, J. 181
fast-moving consumer goods 24
final products and services 31
firms
as linking unit connecting other market participants 1
as network of interactions and relations 1
relationship portfolio 13, 14
Index

Fites, D. 106
Fligstein, N. 22, 160
Florence, P. 33, 36, 41, 43
Ford, D. 96, 97
Franke, N. 81
French, J. 151, 164
functions of networks and relations
direct functions 68, 69
indirect functions 69, 70
futurity 8, 55, 56, 209, 256
Ganesan, S. 136
generative relationships 201, 220
Goodman, C. 19
goodwill
evaluation of 165–6
Granovetter, M. 8, 83
Griffing, B. 211
Grimm, J. 143
Grimm, W. 143
group selection mechanisms
cooperation 210, 211, 212–14
Gründstrom, C. 194, 224
Gulati, R. 194
Gummesson, E. 14
Hadjikhani, A. 223
Hagel III, J. 78, 158
Håkansson, H. 1, 72, 223
Hall, M. 49
Hallén, L. 224
Hargadon, A. 70, 75, 77
Hatch, W. 18
Hawking, S. 4, 265
Hayek, F. 262
Heider, F. 74
Henrich, J. 210
Herstatt, C. 81
Hidalgo, C. 3
history 8, 55, 114–15, 118, 139, 209, 256
Huang, Y. 161
humans
cooperative instincts 210
as social animals 22, 89
Hummon, N. 75
Hunt, S. 149, 152, 192
Iansiti, M. 217
increasing cost activities
coordinating costs 34
economies of specialisation 39–41
outsourcing 46, 47
Industrial Marketing and Purchasing
(IMP) group 2, 5, 25, 93, 96, 148, 223, 258, 259, 261
industry clusters 21
inertial forces 245, 246
influence tactics, see power–conflict
view of relationship management
infrastructural networks 224; see also
political embeddedness
innovation 76
combining, recombining and
adapting existing knowledge
and ideas 76
creative abrasion 78
exploiting and commercialising 76–7
lead users 80–82
networks and relations 76, 77, 78,
79, 83, 86–7
narrowing of vision 70, 71, 72, 86,
87
positioning 85–6
non-disclosure agreements 79–80
non-tacit knowledge 79
prior knowledge and interests 77–8
productive friction 78
strong ties 83, 84, 85
structural holes 83, 84
tacit knowledge 79
transformational outsourcing 78
trusted intermediaries 80
weak ties 83, 84
innovator’s dilemma 70, 71, 72
insourcing/outsourcing
total costs 59–62
transaction costs 54–9
interdependent nature of business
enterprise 184–5, 186–7
intermediate products 31
international competitiveness, see trade
and industry policy
international marketing 24
intra-firm relations 9–10
formal organisation 10, 11
informal relations 10, 12
James, D. 148
Johanson, J. 9, 235
Judd, K. 268
Index

Kanter, R. 25, 194
Kauffman, S. 195, 217
Kim, K. 165
Kinch, N. 108
kinship 209
Kipnis, D. 139, 155, 156
Knight, F. 189
Kraljic, P. 104
Kumar, N. 107, 150

Ladley, D. 211
Lane, D. 191, 197, 201
Langton, C. 269
lead users
innovation 80–82
Leonard-Borton, D. 78
Levien, R. 217
Levitt, T. 111
Lilien, G. 191
Linder, J. 78
Lindgren, K. 194
Lonergan, W. 166
Lüthje, C. 81

manipulative leaders 126
March, J. 195, 266
market transactions
direct and indirect outcomes 257
market triangle 256, 257
networks of interrelated transactions
and firms 256, 257, 259
shaping business networks 258
marriage metaphor for business
relations 111, 113, 114
Martin, J. 25
massed reserves, see pooled
risk/massed reserves
material dimensions of transactions 42
Mattsson, L.-G. 9, 235
Maxfield, R. 191, 197, 201
May, R. 195
McCann, J. 200
Mercer, G. 167
Miller, G. 92
Mintzberg, H. 196, 199
Morgan, R. 149, 192
Morris, S. 199
Morrison, P. 81, 82
Muir, W. 211

multiples
economies of specialisation 36–41
see also principle of bulk
transactions
Nalebuff, B. 13, 15, 194
natural selection 89, 245, 246
Nelson, R. 57
network positioning 85–6, 218, 220, 259
network specialisation
example of 32
networks 19, 20, 21, 28
eexample firms’ networks 17, 18
firms’ strategies 259, 260
implications for management and
policy theory 261–4
macro perspective 20
problems for firms 258, 259
Nevin, J. 152
non-disclosure agreements 79–80
non-proportional change
market and firm size 36
principle of bulk transactions 43
principle of multiples 37, 40, 41
transaction costs 34
non-tacit knowledge 79
Noori, A. 17
North, D. 68, 191, 196

Oh, C. 165
Ohmae, K. 25, 26, 27, 63
online trading systems
trust 162
Ormerod, P. 261

Padgett, J. 5, 193
path dependence 8, 55, 114–15, 118, 139, 209, 256
performance and satisfaction
characteristics of relationship
coordination 144, 145, 146
Perreault, D. 119, 120, 130, 132, 140
personal and social relations 8, 19, 160, 161, 173, 174
personnel
evaluation of
prior relationship and network
experience 181
Index

policy makers
as part of the business system 222, 264
see also antitrust policy; political embeddedness of business networks; trade and industry policy
political embeddedness of business networks 223, 224, 225
political activities 224
political actors 223, 224, 225
political institutions 223
political resources 224
see also antitrust policy; trade and industry policy
pooled risk/massed reserves 189–90
economies of specialisation 43–4
Porter, M. 9, 10, 19, 20, 21, 148
Powell, W. 85
power–conflict view of relationship management 147–8, 149, 150, 151
bases of power 151–2
conflict 157–8
management of conflict 159
productive friction 78, 158
sources of conflict 158, 159
influence tactics 152, 157
costs and benefits 153
dynamics and feedback cycles 153–4
empirical studies of 154
Profiles of Organisational Influence Strategies 155–7
strong, weak and rational tactics 154, 155
theory-based classifications 152–3
Price, G. 211
Prigogine, I. 247
principle of bulk transactions, see bulk transactions
principle of multiples, see multiples
principle of non-proportional change, see non-proportional change
principle of pooled risk/massed reserves, see pooled risk/massed reserves
principle of reduced transactions 49, 50, 51
principle of requisite variety 203, 204
prisoner’s dilemma 168, 169, 170, 209, 211, 212
product exports
interrelated products 2
pattern of interconnectedness 2, 3
proximity matrix 2, 3
product technology and complexity effect on coordination 145, 147
productive friction 78, 158
productive technological partners 204
Profiles of Organisational Influence Strategies 155–7
random placid environments 188, 189–90
Rangaswamy, A. 191
Rao, A. 155
Raven, B. 151, 164
reciprocity 209
recruitment
prior relationship and network experience 181
Redding, S. 155
reduced transactions principle 49, 50, 51
relational/network capital 70
relationship and network competence 263–4
relationship atmosphere 259
relationship audits 181
relationship development 96, 109, 214
stage models 96–100
see also evolution of networks and relations
relationship energy
conservation of 172, 173, 174, 182
disengaging while retaining energy 181–2
existing and prior supporting or competing relations 180
exports and imports of 174, 175, 180, 181
case studies 175–80
relationship aftermath 180–81
relationship marketing 23–5
relationship portfolio 13, 14
relationship succession 182
relationships
definition of 8–9
patterns of interaction over time 7
repeated interaction 209
requisite variety 203, 204
resource-advantage theory (R-AT) 26, 27, 204–5
assessing contribution of resources to competitiveness 205, 206, 207
interconnection of resources within and across firms 205, 206, 207
resource ties 72, 73, 74
Richardson, G. 45, 56
Richartz, L. 64
Ritter, T. 106
Rosenberg, L. 158
Sako, M. 160
Santema, S. 103
Saravathy, S. 86
scale-free networks 248
antitrust policy 248–50, 251, 252
evolutionary process 251
vulnerabilities 250
schemas 72, 73, 74, 75
Schmidt, S. 155, 156
Seabright, M. 174
sellers’ perspectives
classification of business relationships 124, 125, 127–8, 137, 138, 139
Selsky, J. 200
sexual selection 89–90, 92, 245; see also business mating
shadow of the future 8, 55, 56, 209, 256
shadow of the past 8, 55, 114–15, 118, 139, 209, 256
Shah, S. 81
Shane, S. 77
Sharma, N. 163
Shove, G. 40
signalling 209
similar activities 45, 51–2
cooperation situations 52, 53
see also economies of specialisation
Simon, H. 266
simultaneous involvement in numerous relationships 185
Singh, H. 194
Smith, A. 32, 38
Snehota, I. 1, 72
social animals
humans as 22, 89
social balance processes 74, 75
social enclaves 200
social vortices 200
soft assembled strategies 215, 216, 217, 263
exploitation and exploration 218–19
network positioning 218
sorting activities
types of 31, 32
specialisation, see division of labour
stabilising effect of relations and networks 22
stage models
relationship development 96–100
starting conditions 101, 102
complementarity and compatibility of resources 107–8
connected relations 108–9
market and environmental conditions 109
relative dependence and power 105–7
role and purpose of the relation 102–5
Stern, L. 147, 158
Stigler, G. 39, 43
strategic triangle 25–6
collaborative advantage 27, 28
cooperators 27
customer advantage 26, 27
supplier advantage 26, 27
strong ties 218
business mating 95, 96
innovation 83, 84, 85
structural holes 218
innovation 83, 84
structure of networks and relations 72, 101, 102
activity links 73, 74
actor bonds 72, 73, 74
continuously changing 73
relationship with functions 73
constructive effects 73, 74
deleterious effects 73, 74, 75
resource ties 72, 73, 74
schemas 72, 73, 74, 75
succession 182
supplier advantage 26
resource advantage 26, 27
survival of firms 25
tacit knowledge 79
Taleb, N. 189
termination and dissolution of relations
consequences of 173
conservation of relationship energy 172, 173, 174, 182
disengaging while retaining relationship energy 181–2
end of relationships 173
exports and imports of relationship energy 174, 175, 180, 181
case studies 175–80
reasons for 173, 180
Tesfatsion, L. 252, 268
Thomas, K. 159
trade and industry policy 226
focus on customers 226
international competitiveness in primary and ancillary networks 229–31, 236–7
domestic-focused networks 231–3
foreign-focused networks 234
internationalisation of firms 235–8
internationally competitive networks 234–5
isolated networks 234
location 230, 231
presence of internationally competitive firms 230, 231
international research 239
internationalisation of education courses and institutions 238–9
relationship and network perspective 226–7, 228, 240–41
ancillary networks 227, 228
primary networks 227, 228
trade barriers 239, 240
user-oriented approach 226
transaction costs 22
complex transactions 102, 103
coordinating the coordinators 59
coordination situations 52, 53
external costs 42
increasing cost activities 34
insourcing/outsourcing
asset specificity 54, 55, 56
efficiency of coordinating activities 58–9
frequency and size of transactions 56–7
uncertainty 57, 58
internal coordination
efficiency of 53–4
forms of 54
internal costs 41–2
routine transactions 102
see also economies of specialisation
transformational outsourcing 78
transmission biases 245, 246, 251–2
transvections 19
Trist, E. 187, 189
trust–commitment view of relationship management 148–9, 150, 151
commitment 162–3, 165, 166
forms of 163, 164, 165
underlying motivations 164
trust 160
categories of 160
development of 161–2
online trading systems 162
personal and social relations 160, 161
trusted intermediaries
innovation 80
turbulent environments, see environments
uncertainty
transaction costs 57, 58
Urban, G. 81
Vaile, R. 19
value chain 9, 10
primary activities 9, 10
support activities 9, 10
system of interdependent activities 10
see also value systems
value creation 67
ideas and knowledge development 67, 68
value net 13, 15, 16
networks of business relations 16, 19
value systems 19, 20, 21
von Hippel, E. 79, 80, 81, 217

Walter, A. 68
weak ties 218
business mating 95, 96
innovation 83, 84
Welch, C. 72, 224, 225
Welch, D. 194
Wiener, N. 202
Wiley, J. 73

Wilkinson, I. 8, 37, 69, 72, 113, 116, 117, 130, 131, 140, 149, 161, 194, 211, 213, 224, 225, 228, 232, 245, 255, 266
Williamson, O. 48, 54, 56, 148, 193
Wolpert, J. 80, 204
Wong, Y. 131, 132, 133, 135, 138, 144

Yamamura, K. 18
Yeoh, K. 161
Young, L. 69, 108, 113, 116, 117, 130, 131, 149, 174, 211
Yukl, G. 157